

INSIGHTS 2020

# Customer case study: GroupM



**Chris Fowler**

**GroupM UK Limited - WPP**

# What does GroupM do?

Media Planning and Buying

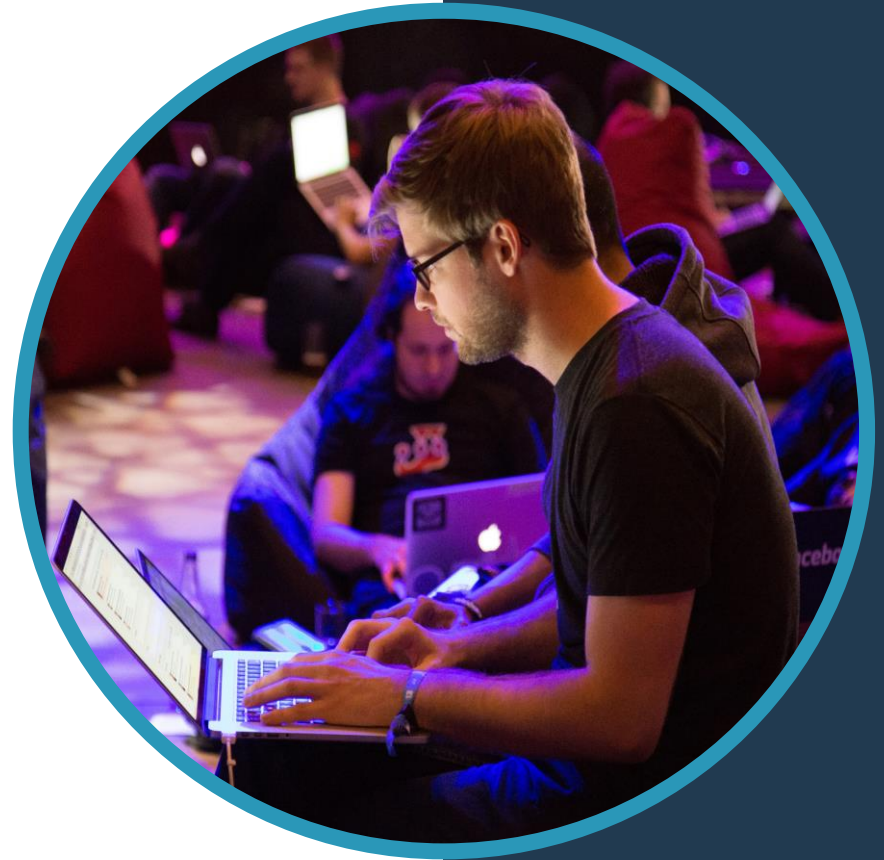
# GroupM

What we do

*We're the largest media investment group globally, directing more than \$50 billion in annual advertising. We deliver winning media outcomes for brands the world over.*

"One of the things that's most important is that GroupM takes a leadership position in making advertising work better in the world."

- Christian Juhl, CEO, GroupM Global





Spend other people's money

**We account for 30-40% of UK ad spend.**

*Total ad spend in the UK is forecast at £23bn in 2020.*

GroupM provide media planning and buying services to many clients throughout the UK and globally. Approximately 1 in 3 ads in the UK are placed by GroupM on behalf of clients.

**For example:**

Mediacom, one of our agencies, helped Tesco to drive new revenues with the 'Food Love Stories' campaign, ensuring that adverts were placed in front of the right people by selecting the most effective media channels through data-based decision models, resulting in increased sales directly attributable to the media campaign.

*We are audited constantly by clients, suppliers and standard audits, it is important that we can show we are doing the right thing easily.*



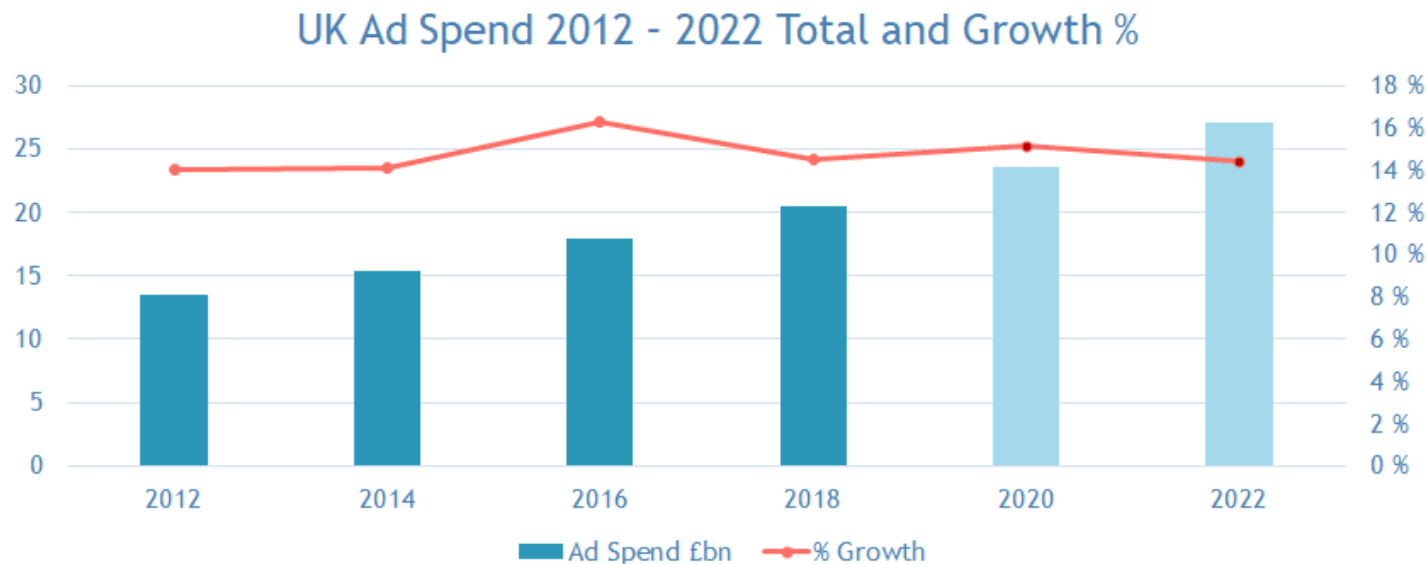
**Why do it?**

# GroupM

## Industry challenges

- We need to focus our investment on client facing services
- Improving the efficiency and effectiveness of supporting services is essential
- Clients expect value for money as well as great performance in their advertising

*Effectiveness and efficiency are essential*





# Digital Ads

Organic growth

**Digital advertising has been a great business growth area for GroupM.**

*However, procurement is like the wild west!*

- There are no set rules for purchase so it is difficult to set standards.
- You may order 1500 'clicks' and only receive 500 clicks so invoices do not match orders!
- This complexity at a scale of millions of transactions per year is a problem that needs to be resolved.



# Traditional Ads

Organic growth

**This area of our business is still extremely important, however it has received less investment recently.**

We still have old non-digital processes that needed to be improved.

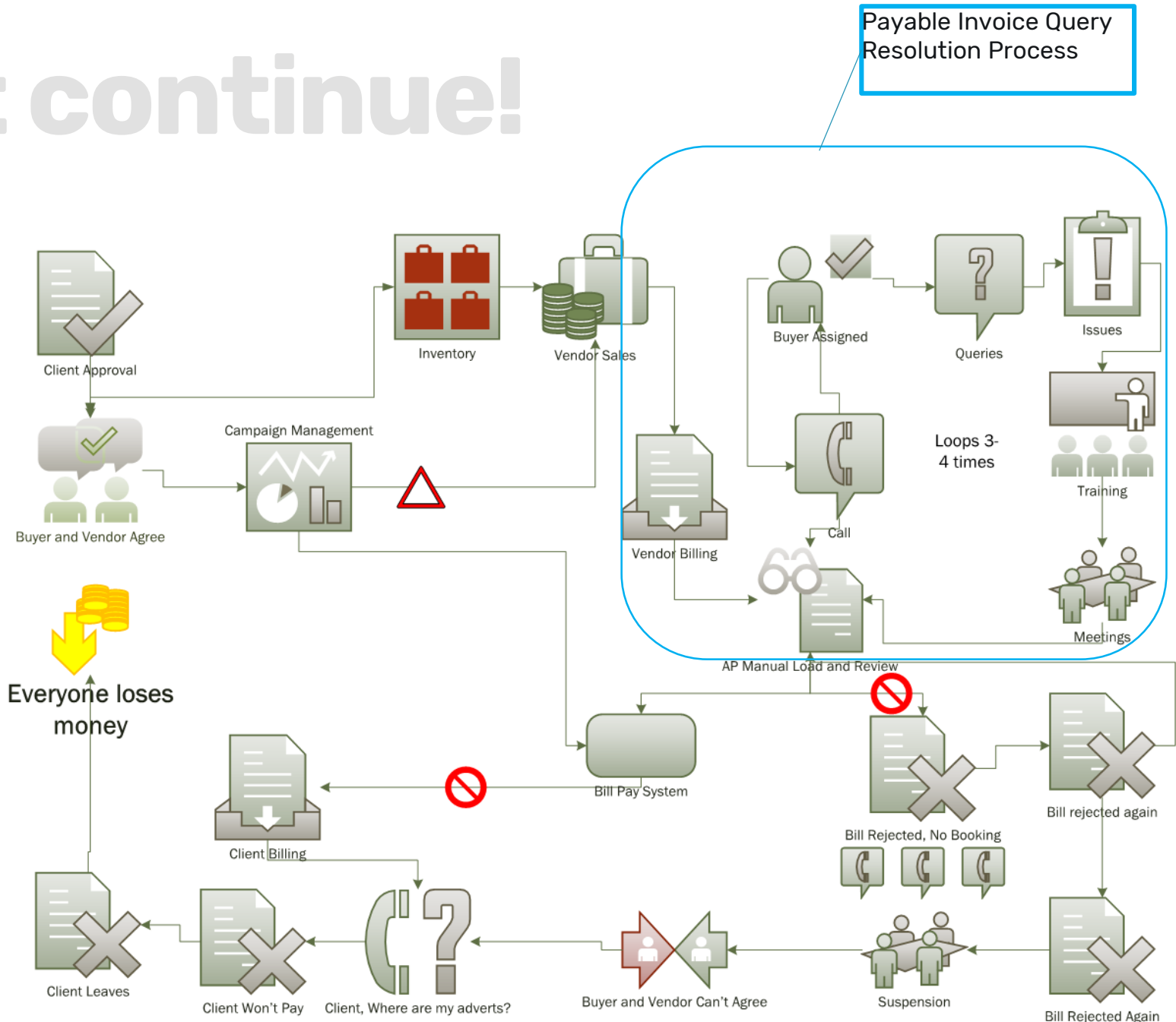
- Paper based invoicing
- Very old legacy systems
- Inefficient

# This cannot continue!

Inefficiency abounds!

Everyone involved in this process had lost patience.

- *Queries unresolved for years*
- *Control only in accounts payable process not procurement*
- *Advertising vendors suspend GroupM*
- *Clients adverts stop*
- *Everyone loses money!*



# How?

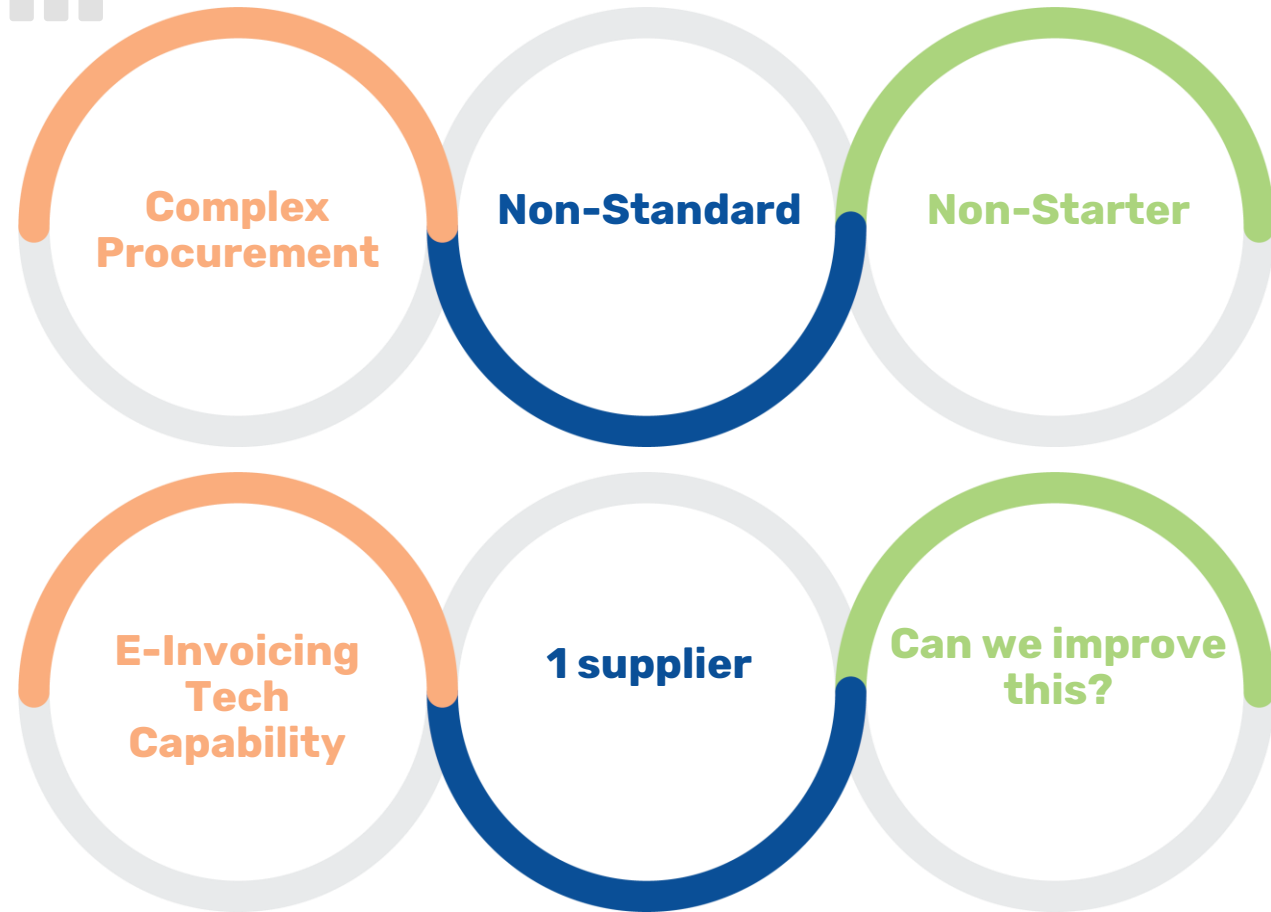
# What we had...

Not much!

Procurement was not a great place to start, it was too complex and difficult to apply any business change effectively.

There was some light at the end of the tunnel for e-invoicing - we had a capability and we had software that supported electronic matching, an invoice must contain certain (tax) data so it's a good standard to start with, and definitely promising.

*Only one supplier had signed up to e-invoicing! **Our offering was too complex for suppliers to engage with.***



# Procure to Pay/E-invoicing?

How are other industries handling this?



1 Procure to Pay (P2P)/e-invoicing - suppliers seemed to be providing value for money solutions to clients in other industries

2 GroupM were using procure to pay vendors to send invoices to clients, it was overall a positive experience

3 We invited several e-invoicing vendors to tender

*The media industry was behind the curve in terms of P2P, however, we had many of the foundations required to get started.*

# GroupM

## Tender

### **Key Criteria**

- Costs (including)
  - set-up costs,
  - ongoing and future costs,
  - value for money
  - sustainability,
  - cost containment
  - openness of pricing structure
- **Quality and flexibility;**
- **Capability to deliver the services and wider capabilities to deliver additional services;**
- Technical abilities;
- Relationship approach/strategic partnership approach;
- **Track record and experience;**
- Quality of staff;
- Availability of resources;
- Management competencies;
- **Innovativeness of approach;**
- **Risk management and security.**

*The criteria on the left were weighted to reflect the importance to GroupM.*

Tenderers were not aware of the weightings.

**Tungsten scored highly in the RFP 612 out of 770.**



# Review

Winner is?

***GroupM went through the RFI process fully, all suppliers provided good responses and it was very competitive.***

*The process revealed many new learnings on the P2P/e-invoicing front.*

- Not just e-invoicing!
- Invoice status services for suppliers
- Supplier on boarding – key for our group
- Technology was a vital foundation not the only consideration
- Tungsten offered additional services beyond those we had initially considered, which offered significant benefits
- Tungsten could execute the adoption process faster and more broadly and be a suitable partner for global scale if required
- Tungsten accepted performance related metrics within the contract



# The business case

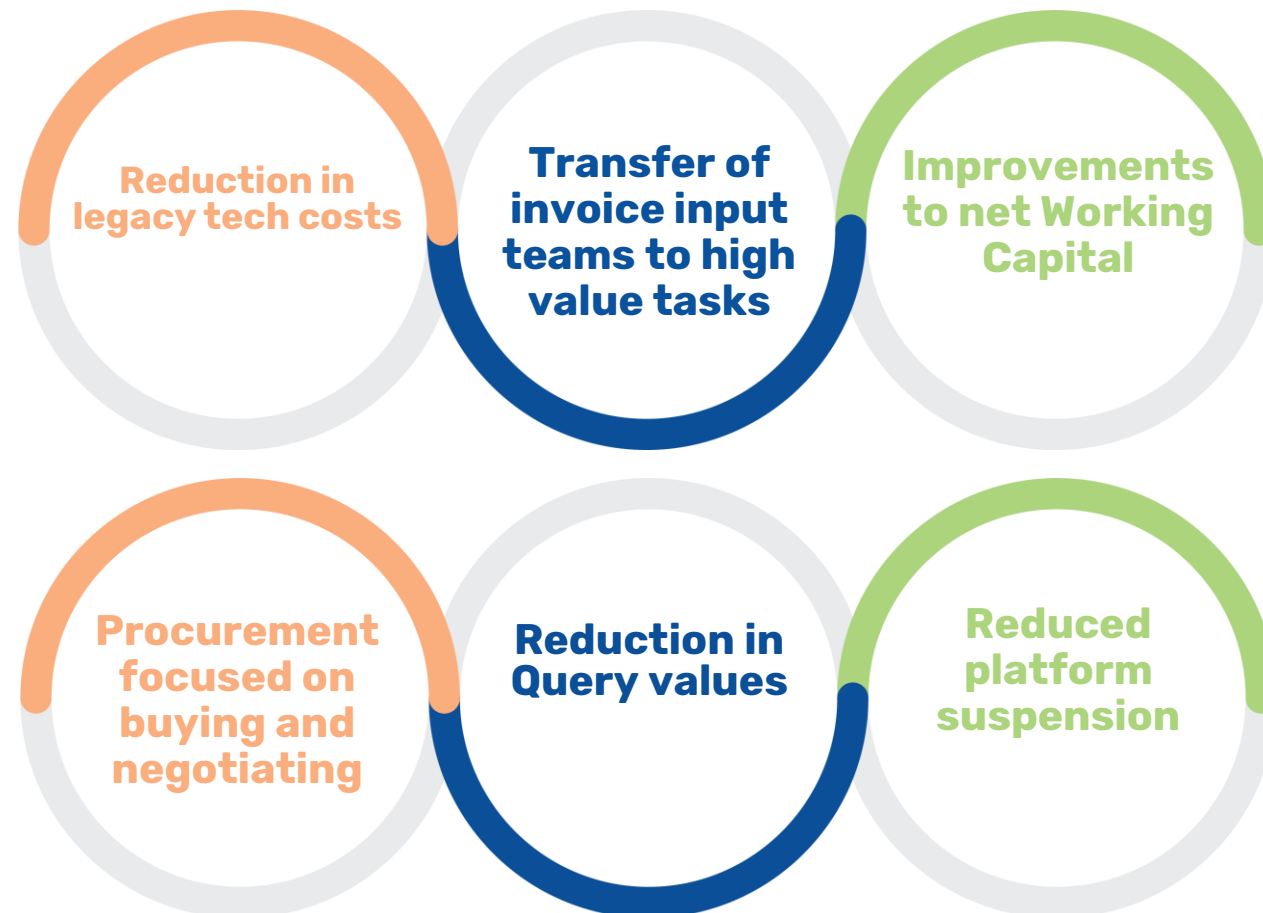
Vitally important

## Completed during the RFP!

We looked into the various areas at GroupM that would benefit from the proposed project.

A full investment appraisal was completed, significant savings could be made by moving to e-invoicing.

*We prepared detailed forecasts in conjunction with our AR/AP departments.*





**What?**

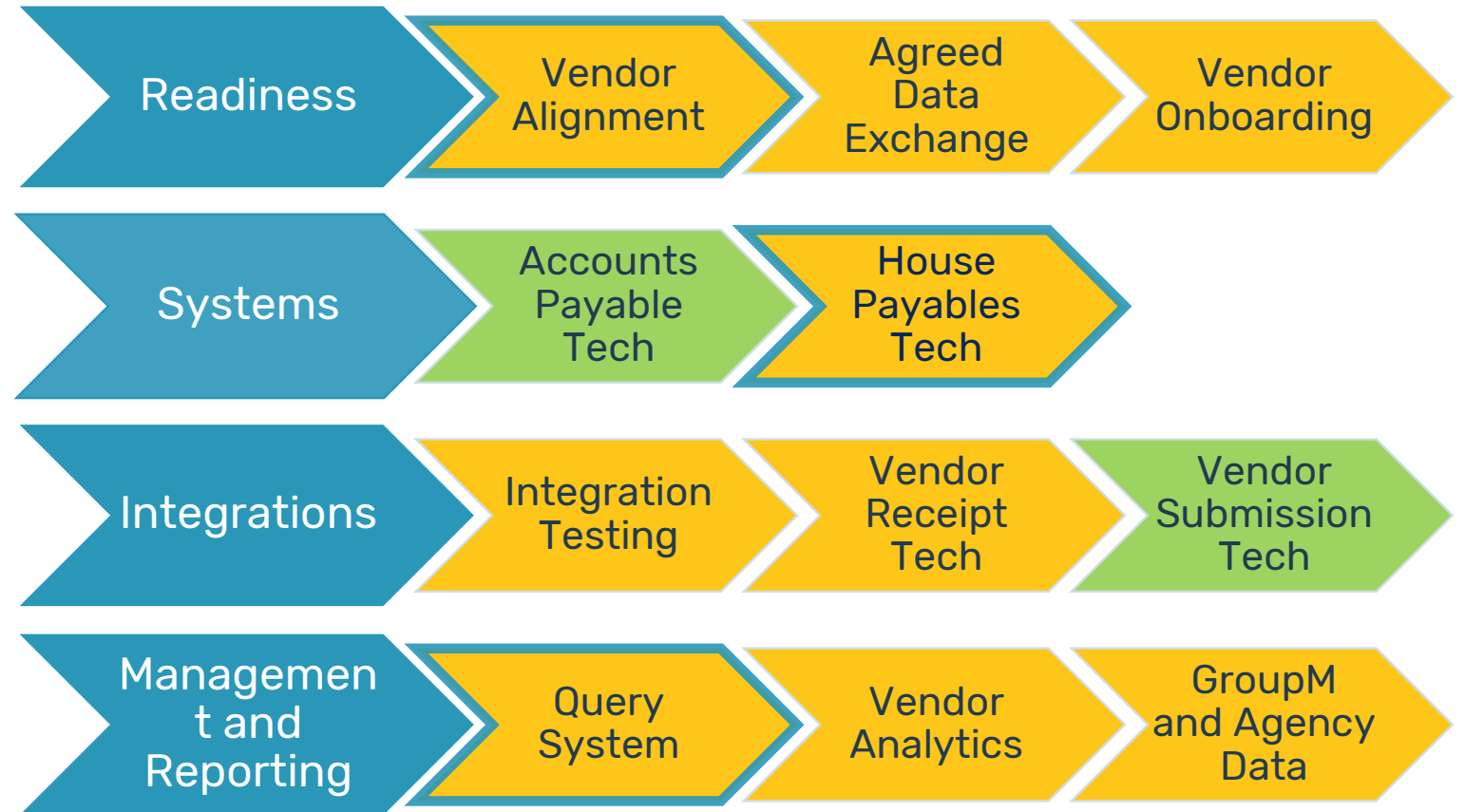
# What we did

Required capabilities and gaps

**Following the RFI, we better understood what capabilities we required to implement the change and where there were gaps.**

*Some gaps would need to be covered by GroupM, and others would be covered by Tungsten with co-operation from our ERP system vendor.*

The project had started!



# What we did

GroupM

*GroupM needed to improve a few key technologies*

*GroupM needed to assess vendor support or 'difficulties'*

- Our invoice receipt mechanism for non media payables needed to be created
- Our query system needed a refresh and needed to be able to work seamlessly with the e-invoice capability
- GroupM consulted key vendors to assess their support for this project



# What we did

Tungsten

***Tungsten worked to build our technical capabilities and prepared the supplier on-boarding campaign.***

- **Key tech products**
- E-invoicing
- Invoice Status Service
- PO Data Upload
- PO Convert
- Secure Archiving
- **Supplier Campaign Management**



# Communicate

Sense of urgency...

**Business change is often unsuccessful, GroupM spent considerable effort briefing procurement teams that a new way of working would be arriving.**

*We explained how urgent it was that we digitised our methods to remain relevant and competitive.*

- We showed individuals involved how this project would improve their lives
- We relayed the benefits case in clear terms
- People were prepared for the change

Creating the climate  
for change

1

- Create a sense of urgency

2

- Form a guiding coalition

3

- Create a vision

Engaging & enabling  
the organization

4

- Communicate the vision

5

- Empower others to act on vision

6

- Plan for and create quick wins

Implementing &  
sustaining  
for change

7

- Consolidate improvements & create more change

8

- Institutionalize the change (Make it stick)

Kotter 8-step process for leading change

# The invoice message

Very complex

**GroupM's invoice receipt schema was very complex, non-standard and difficult to connect with, and it was not feasible for us to change this.**

*Tungsten managed to get connectivity established.*

- We had proof of concept established in 4-5 months
- If you can, be flexible in the requirements for the invoice message, use commonly used protocols and schemas

```
<?xml version='1.0' encoding='UTF-8'>
<adsmi-fi:AdsmiFinancials adsmi:schemaProfile="www.dds.co.uk:2011-09-01:Financials-Scanning:1" xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance"
xmlns:adsmi-bo="http://www.adsmi.org/adsmibookings/2.5" xmlns:adsmi-cv="http://www.adsmi.org/controlledvocabularies/3.0"
xmlns:adsmi="http://www.adsmi.org/typelibrary/2.0" xmlns:adsmi-fi="http://www.adsmi.org/adsmifinancials/1.5" adsmi:schemaVersion="1.5.0"
adsmi:systemsID="SenderSys:1.1" adsmi:transmissionDateTime="2011-06-17T09:30:47.0Z" adsmi:transmissionID="" adsmi:firstTransmissionDateTime="2011-06-
17T09:30:47.0Z" adsmi:transmissionSequence="">
  <adsmi:Header>
    <adsmi:TransmissionFrom>
      <!-- Required - [redacted] assigned unique ID to authenticate incoming file to the service -->
      <adsmi:Identifier>
        <adsmi:IDLabel>SenderGUID</adsmi:IDLabel>
        <adsmi:IDValue>b4b3a68b-3cda-4d42-9391-211c6b2dfcd2</adsmi:IDValue>
      </adsmi:Identifier>
      <!-- Required - Name of organisation sending the file -->
      <adsmi:Name>[redacted]</adsmi:Name>
    </adsmi:TransmissionFrom>
    <adsmi:TransmissionTo>
      <!-- Required - [redacted] assigned Unique ID assigned to the receiving Advertising Agency -->
      <adsmi:Identifier>
        <adsmi:IDLabel>AgencyGUID</adsmi:IDLabel>
        <adsmi:IDValue>0990c168-2a26-48d9-9647-8b9b8a96d238</adsmi:IDValue>
      </adsmi:Identifier>
      <!-- Required - Name of the receiving Advertising Agency -->
      <adsmi:Name>Advertising Agency Name</adsmi:Name>
    </adsmi:TransmissionTo>
  </adsmi:Header>
  <!-- Required - messageID - a unique ID to reference this message - must not be reused. messageCode can be FD-NV for Invoice or FD-CR for Credit Note messageClass
must always be BusinessTransaction -->
  <adsmi-fi:Invoice adsmi:messageClass="BusinessTransaction" messageCode="FD-NV" adsmi:messageID="vendor.com/Invoice:2001-01-01:9729007">
    <!-- Required - unique document reference from the invoicing party. -->
    <adsmi-fi:DocumentIdentifier>vendor.com/Invoice:2001-01-01:9729007</adsmi-fi:DocumentIdentifier>
    <!-- Required ([redacted]) - Invoice Number. Other Reference allows support for specific pre-agreed 7 char references, in this example a pointer to a document ID which is
stored on the payment record on Mediaocean. -->
    <adsmi-fi:AuxiliaryDocumentReferences>
      <adsmi:InvoicersReference>9004999471</adsmi:InvoicersReference>
      <OtherReference xmlns="http://www.adsmi.org/typelibrary/2.0">
        <Value>0064746</Value>
        <Label>ExternalDocumentID</Label>
      </OtherReference>
    </adsmi-fi:AuxiliaryDocumentReferences>
  </adsmi-fi:Invoice>
</adsmi:AdsmiFinancials>
```

# Invoice validation

## Some complexity

Invoices could arrive electronically and be validated by the accounts payable teams.

When invoices arrived we had weightings against key criteria to assess whether to clear for payment or reject 97.5%.

These rules could have been established at the Tungsten portal and may be in future.

*We were ready to get started!*

Criteria	Weight	Booking	Invoice 1	Invoice 2	Invoice 3	Invoice 4	Invoice 5
Amount	20%	£100	£100	£100	£100	£100	£150
Start Date	10%	01/08/2018	01/07/18	01/08/18	01/08/18	01/08/18	01/08/18
End Date	10%	31/08/2018	31/07/18	31/08/18	31/08/18	31/08/18	31/08/18
Client/Advertiser	10%	Times Online	Times Online	Times Online	Times Online	Times Online	Times Online
Supplier	50%	News UK	News UK	News UK	News UK	News UK	News UK
D/T/R #	50%	D12345678				D12345678	D12345678
2 <sup>nd</sup> Ref (Caria ID, JET, IO, Placement ID)	50%	O-15CPJ			O-15CPJ		
Match %			80	90	150	120	80
Pay?			N	N	Y	Y	N

# The invoice match

Fast!

## Instant validation

Invoices received by MediaOcean are instantly validated against the bookings in the system.

Invoices are given a percentage based on the matching criteria shown on the previous slide.

Invoices that are 100% quality can automatically be matched and processed.

**Manually = 13 invoices an hour**

**E-Invoicing = 145 Instantly**

Action	Quality	Media Type	Pay Status	Invoice Number	Issue Date	Due Date	Currency	Net Payable	VAT Payable	Net Clearance	VAT Clearance
Auto Pay	100.0	Newspaper	Unpaid	9005872316	04/11/2018	31/12/2018	GBP	34,935.68	6,987.14	34,935.68	6,987.14
Auto Pay	100.0	Newspaper	Unpaid	9005872317	04/11/2018	31/12/2018	GBP	11,448.98	2,289.80	11,448.98	2,289.80
Auto Pay	100.0	Newspaper	Unpaid	9005872318	04/11/2018	31/12/2018	GBP	8,548.55	1,709.71	8,548.55	1,709.71
Auto Pay	100.0	Newspaper	Unpaid	9005872319	04/11/2018	31/12/2018	GBP	25,063.30	5,012.66	25,063.30	5,012.66
Auto Pay	100.0	Newspaper	Unpaid	9005872320	04/11/2018	31/12/2018	GBP	12,325.00	2,465.00	12,325.00	2,465.00
Auto Pay	100.0	Newspaper	Unpaid	9005872338	04/11/2018	31/12/2018	GBP	203.49	40.70	203.49	40.70
Auto Pay	100.0	Newspaper	Unpaid	9005872339	04/11/2018	31/12/2018	GBP	5,950.00	1,190.00	5,950.00	1,190.00
Auto Pay	100.0	Newspaper	Unpaid	9005872342	04/11/2018	31/12/2018	GBP	3,866.35	773.27	3,866.35	773.27
Auto Pay	100.0	Newspaper	Unpaid	9005872379	04/11/2018	31/12/2018	GBP	5,654.28	1,130.86	5,654.28	1,130.86
Auto Pay	100.0	Newspaper	Unpaid	9005872381	04/11/2018	31/12/2018	GBP	5,088.95	1,017.79	5,088.95	1,017.79
Auto Pay	100.0	Newspaper	Unpaid	9005872383	04/11/2018	31/12/2018	GBP	8,760.10	1,752.02	8,760.10	1,752.02
Auto Pay	100.0	Newspaper	Unpaid	9005872384	04/11/2018	31/12/2018	GBP	8,760.10	1,752.02	8,760.10	1,752.02
Auto Pay	100.0	Newspaper	Unpaid	9005872386	04/11/2018	31/12/2018	GBP	12,695.34	2,539.07	12,695.34	2,539.07
Auto Pay	100.0	Newspaper	Unpaid	9005872387	04/11/2018	31/12/2018	GBP	19,554.25	3,910.85	19,554.25	3,910.85
Auto Pay	100.0	Newspaper	Unpaid	9005872388	04/11/2018	31/12/2018	GBP	3,326.05	665.21	3,326.05	665.21
Auto Pay	100.0	Newspaper	Unpaid	9005872678	04/11/2018	31/12/2018	GBP	11,766.55	2,353.31	11,766.55	2,353.31
Auto Pay	99.0	Newspaper	Unpaid	9005871411	02/11/2018	31/12/2018	GBP	5,484.00	1,096.80	5,484.00	1,096.80
Auto Pay	99.0	Newspaper	Unpaid	9005871978	04/11/2018	31/12/2018	GBP	4,608.40	921.68	4,608.40	921.68
Auto Pay	99.0	Newspaper	Unpaid	9005872020	04/11/2018	31/12/2018	GBP	4,385.53	877.11	4,385.53	877.11
Auto Pay	99.0	Newspaper	Unpaid	9005872024	04/11/2018	31/12/2018	GBP	4,608.40	921.68	4,608.40	921.68
Auto Pay	99.0	Newspaper	Unpaid	9005872245	04/11/2018	31/12/2018	GBP	5,284.13	1,056.83	5,284.13	1,056.83
Auto Pay	99.0	Newspaper	Unpaid	9005872247	04/11/2018	31/12/2018	GBP	20,375.74	4,075.15	20,375.74	4,075.15
Auto Pay	99.0	Newspaper	Unpaid	9005872249	04/11/2018	31/12/2018	GBP	4,440.93	888.19	4,440.93	888.19
Auto Pay	99.0	Newspaper	Unpaid	9005872343	04/11/2018	31/12/2018	GBP	5,605.23	1,121.05	5,605.23	1,121.05
Auto Pay	99.0	Newspaper	Unpaid	9005872344	04/11/2018	31/12/2018	GBP	5,605.23	1,121.05	5,605.23	1,121.05
	97.5	Newspaper	Unpaid	9005872005	04/11/2018	31/12/2018	GBP	9,662.80	1,932.56	0.00	0.00
	97.5	Newspaper	Unpaid	9005872009	04/11/2018	31/12/2018	GBP	42,510.84	8,502.17	0.00	0.00
	50.0	Newspaper	Unpaid	9005871130	01/11/2018	31/12/2018	GBP	169.77	33.95	0.00	0.00
	50.0	Newspaper	Unpaid	9005871131	01/11/2018	31/12/2018	GBP	242.55	48.51	0.00	0.00
	50.0	Newspaper	Unpaid	9005871132	01/11/2018	31/12/2018	GBP	3,225.64	645.13	0.00	0.00

ADD VERITY SLIDE HERE

# The unmatched invoice

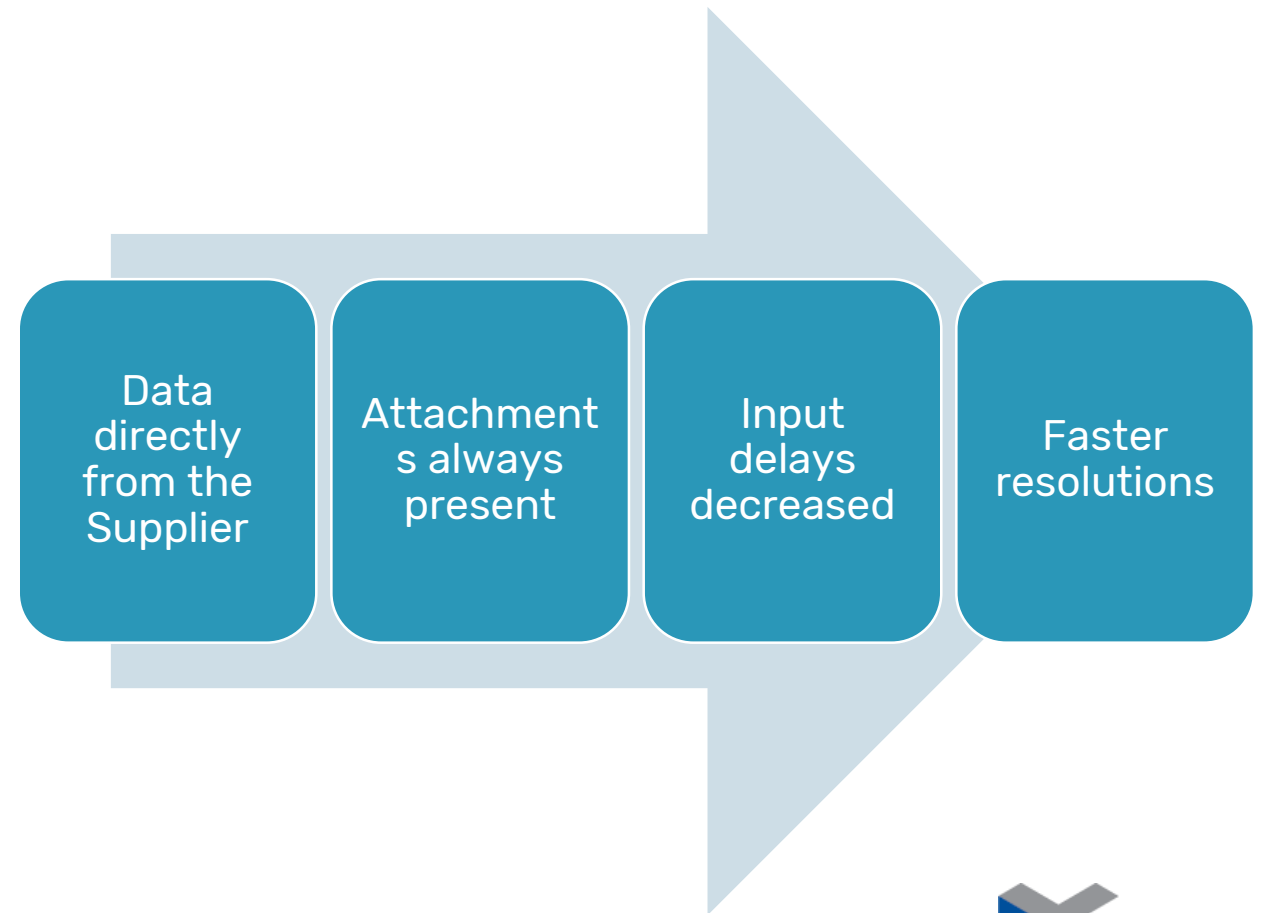
## Very clever

All invoices with a match lower than 100% are broken down and given a reason for not reaching 100% - e.g, the amount has exceeded tolerance.

The user with alternative booking references to match the invoice against.

If there is still not enough available to pay the invoice the user will raise a query (for the difference). The details from the e-invoice are automatically populated, including the PDF image.

***Great time savings!***





# Suppliers

## Onboarding

- Some suppliers have been great, others difficult.
- You must use our API and we're not paying for that!
- We are at about 30% uptake overall
- This is lower than hoped for and GroupM are a first mover in the industry. Many suppliers are not ready and have long development cycles to provide feeds
- Non-media suppliers are relatively faster to take up as already used to e-invoicing
- Technology is great and supplier on boarding is now our focus



# Other services

## Future Plans

- **Total AP** – Ensure 100% uptake and move all accounts payable to electronic process, not taken up immediately as existing contracts with AP providers.
- **PO Delivery**– Seen as a viable option for certain areas of the market where solutions are not in place
- **Mastercard Track** – Supporting services to ensure maintenance of supplier data

# What if?

## Lessons learned

- Reserve space in your ERP roadmap for the main development
- Agree 'agile' response to any initial issues with supplier files, e.g. rounding
- Sign up suppliers prior to the completion of technology, they will take their time anyway so get a head start
- Agree a contractual mechanism to receive back the investment you make in Tungsten if you work with a shared service provider for AP/AR
- Create a video or demo that shows how fast suppliers will get paid based on the evidence of suppliers that have adopted
- A project manager who understands AP/AR essential
- Strong messaging to supplier is you can to advocate the use of e-invoicing to speed up full

*Would do this project again if I could step back 18 months?*

*Yes!*



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**Thank You!**